



State of California
Employment Training Panel

Training Proposal for:
Engineering & Testing Services Corporation

Agreement Number: ET09-0253

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **San Francisco Bay Area**

Analyst: R. Jackson

PROJECT PROFILE

Contract
Type: SET Frontline - Retrainee

Industry
Sector(s): Construction
Services

Counties
Served: Alameda, Riverside, San Diego,
Orange, San Bernardino,
Sacramento, Sonoma

Repeat
Contractor: ☒ Yes ☐ No

Union(s): ☒ Yes ☐ No
Operating Engineers Local Union
No. 3

Priority
Industry: ☒ Yes ☐ No

No. Employees in CA: 289

No. Employees Worldwide: 312

Turnover Rate %	Manager/ Supervisor %
27.8%	N/A

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$221,400	\$0	\$221,400

In-Kind Contribution
\$444,047

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	SET Frontline-Retrainee	Business Skills, Computer Skills, Continuous Improvement, Commercial Skills	172	24-200	0	\$900	\$16.00
				Weighted Avg: 50			
2	SET Frontline-Retrainee	Business Skills, Computer Skills, Continuous Improvement	59	24-200	0	\$900	\$23.36
				Weighted Avg: 50			
3	SET Frontline-Retrainee	Business Skills, Computer Skills, Continuous Improvement	15	24-200	0	\$900	\$23.36
				Weighted Avg: 50			

Minimum Wage by County: \$16.00 per hour for Job Number 1 per Collective Bargaining Agreement and \$23.36 per hour statewide (SET Frontline workers) for Job Numbers 2 and 3.

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No

\$1.70 per hour may be used to meet the Post-Retention Wage for Job Numbers 2 and 3. Health benefits are not used for Job Number 1 retrainees.

Other Benefits: Matched 401K retirement fund.

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative Staff	
Field Engineers/Inspectors	
Lab Technicians	
Management Staff	
Marketing Staff	
Information Technology Staff	

INTRODUCTION

In this proposal, Engineering & Testing Services Corporation (E&TS) seeks funding for retraining as a Special Employment Training (SET) project as outlined below:

E&TS has been in business since 1975 and is headquartered in San Ramon. E&TS provides engineering and material testing services in the construction industry. The services of the company include: defining site conditions, evaluating potential risks and ramifications for both present and future development, inspecting for fireproofing, soil testing, providing seismic analysis, earthquake engineering, asbestos surveys, and water supply studies. E&TS also provides environmental consulting, geotechnical engineering services, and structural investigations for clients in both the public and private sectors. E&TS customers include CalTrans, county and city agencies, school districts, public utilities, land developers, contractors, and architects.

E&TS and four closely-affiliated business entities will be participating in the proposed training plan including: Consolidated Engineering Laboratories, Inc., United Inspection & Services, Eberhart/United Consultants, and Geosphere. Altogether, there are nine proposed training sites located in San Ramon, Oakland, Santa Rosa, Carlsbad, Sacramento, Escondido, Placentia, Moreno Valley, and Palm Desert.

This proposal was identified for SET funding because the employer does not face significant out-of-state competition; generates less than 25% of gross revenues from out-of-state customers; and employs less than 25% of its workforce out-of-state. Job Number One represents trainees covered by a collective bargaining agreement with Operating Engineers Local Union No. 3 which supports the training plan for its members. Union members constitute 70% of the frontline workers E&TS intends to train.

E&TS and each participating affiliate is eligible for funding under Title 22, California Code of Regulations, Section 4416(a) & 4409 (a). Under SET, the employer is not required to demonstrate out-of-state competition and the trainees are not required to meet eligibility standards. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

PROJECT DETAILS

E&TS represents the training plan aims to further the company's goals of remaining competitive in California as a high performance workplace. The emphasis of the current training plan is to meet several company initiatives including: 1) becoming a paperless work environment; 2) new software upgrades; 3) new equipment and tools training; 4) improving communications; 5) and to expand on more advanced continuous improvement such as Lean principles and ISO 9001. These five initiatives present the training needs that are identified below.

Each trainee will receive between 24-200 hours of classroom/laboratory training from among the following areas:

Business Skills Training provided under Business Skills will be provided company-wide to improve communications, customer service skills, and project management. The training will produce greater job performance in marketing, sales, and overall customer satisfaction. This training also has the goal of improving business writing to increase efficiency and clarity in communications.

Computer Skills To meet the company's initiative to become a paperless workplace, computer training will be provided company wide. Information technology and administrative staff will receive the bulk of this training. Engineering and Document Control training will consist of Microsoft Suits, Solomon, and Reportsmith software training.

Continuous Improvement Skills The training outlined in the curriculum under Continuous Improvement is designed to help set goals, solve problems, and practice lean principles. The company intends to address work flow issues and increase teambuilding skills to improve internal and external customer satisfaction. ISO 9001 is needed to help trainees meet the company's goals of producing the best quality services and results for its customers.

Commercial Skills The company represents that an estimated \$58,000 in new tools or instruments will be purchased. Training will be administered for field engineers/inspectors and lab technicians to ensure the proper use of the tools. The ETP-related portion of the tool training will take place in a lab environment and will not involve end products or services.

Commitment to Training

Following the conclusion of its first ETP Agreement, E&TS represents it routinely provided training in the following areas: safety, leadership, process improvement, Technical Skills Upgrade, Communications, and Basic computer skills. The company has provided structured classroom training in advanced certified technology to its engineers, technicians, and inspectors as required by their job functions. According to company representatives, basic management training has also been provided to supervisors and middle managers. During 2007, E&TS spent an estimated \$150,000 on training. Training is currently ad hoc and no budget is set aside, or precisely tracked. The proposed training would not be possible without ETP's support. ETP-funded training will permit the company to expand the training hours available and include more frontline workers in the training schedules. E&TS represents that ETP funds will not displace the company's existing financial commitment to training. Indeed, E&TS anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. E&TS represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

RETENTION

All trainees must complete a retention period within the term of the Agreement. Within 150 days of completing training, trainees in Job Numbers 1, 2, and 3 must be employed for not fewer than 500 total hours. The total hours worked need not be consecutive and may be with one or more employers within E&TS's affiliates. Alternatively, retention may be satisfied if trainees in Job Numbers 1, 2, and 3, complete 90 consecutive days at 35 hours or more per week following their last date of training, prior to the end of the ETP Agreement.

Turnover Rate Waiver Request

E&TS reports that one training site, Moreno Valley, has a turnover rate of 27.8%. This estimated population of 15 trainees is represented in Job Number 3.

Company representatives ask the Panel to allow a modified turnover rate of 25% at this single site because it is typical within construction industries for employees to frequently seek alternate employment during slow periods which explains roughly 60% of the company turnover rate occurs at that site, in particular. However, 40% of the high turnover rate at that site was due to performance based issues according to the company's internal review. E&TS reports it is

examining, and if needed, may be modifying hiring methodologies and corrective action processes along with other possible interventions and preventative strategies to help improve the turn-over rate at the Moreno Valley facility. E&TS also wishes to clarify that the turnover for its California affiliates in this plan is 11% when considered altogether.

Furthermore, E&TS representatives agree that if funding is approved and the company does not reduce its turnover rate to 25% or less at their Moreno Valley site in the final year of the Agreement, E&TS will forfeit 25% of the Agreement amount for the trainees in Job Number 3.

WAGE

SET minimum wage requirements do not apply to Job Number 1 retrainees. These retrainees are covered by a collective bargaining agreement that establishes the lowest wage to be \$16.00 per hour. Occupations covered under the collective bargaining agreement include administrative staff, field engineers/inspectors, and lab technicians, depending on location.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal, including the turnover rate waiver request for Job Number 3.

PRIOR PROJECTS

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET02-0120	Pleasanton	09/04/01 – 09/03/03	\$299,620	\$217,680

The prior project held by Consolidated Engineering Laboratories, which is closely-affiliated to E&TS, had a 61% successful performance rate.

DEVELOPMENT SERVICES

The company developed its own proposal.

ADMINISTRATIVE SERVICES

The company will conduct its own administration.















TRAINING VENDORS

To Be Determined


Exhibit B: Menu Curriculum**Class/Lab Hours**

24-200



BUSINESS SKILLS

-  Estimating Overview
-  Report Writing & Documentations Training
-  Project Management
-  Inventory Control
-  Product Knowledge
-  Negotiating
-  Customer Service Relations & Communication
-  Conflict Management
-  Financial Analysis & Forecasting
-  Communications: Terminology & Business Writing
-  Statistical Process Control & Analysis
-  Production Operations/Workflow
-  Interpreting Charts & Graphs
-  Meeting Facilitation









COMMERCIAL SKILLS

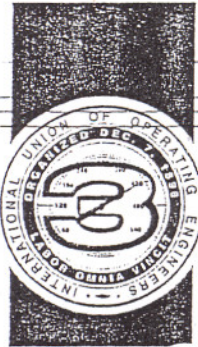
-  Tools & Instruments

COMPUTER SKILLS

-  MS Office (intermediate and advanced)
-  Engineering & Document Control

CONTINUOUS IMPROVEMENT

-  ISO 9001
-  Discrepant Material Review
-  Goal Setting & Exceeding Expectations
-  Strategic Planning, Problem Solving, and Process Improvements
-  Cross Training/Succession Planning
-  Lean Systems
-  Quality Concepts & Root Cause Analysis
-  Leadership Skills, Team Building, & Decision Making



OPERATING ENGINEERS LOCAL UNION No. 3

1620 SOUTH LOOP ROAD, ALAMEDA, CA 94502 • (510) 748-7400 • FAX (510) 748-7415
Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

July 11, 2008

FAXED

The Employment Training Panel
1110 J Street, 4th Floor
Sacramento, CA 95814

Dear Panel Member:

The Local #3, Operating Engineers Union supports the ETP application being submitted by Consolidated Engineering Laboratories.

We fully give our approval and support to run the ETP training program and believe that the training will help our members develop the skills needed to position themselves for a secure future.

Sincerely,

X M. Strunk
Signature

Print Name: Michael Strunk

Title: Business Representative